DIRECT TESTIMONY OF
ROSE JACKSON
ON BEHALF OF
SOUTH CAROLINA ELECTRIC & GAS COMPANY
DOCKET NO. 2007-5-G

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND POSITION.

A. My name is Rose Jackson, and my business address is 1426 Main Street, Columbia, South Carolina. I am employed by SCANA Services, Inc. ("SCANA Services") as General Manager – Gas Supply & Capacity Management.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND BUSINESS BACKGROUND.

A. I graduated from the University of South Carolina in 1988 with a Bachelor of Science degree in Accounting. Following graduation, I worked for approximately three (3) years as an accountant for a national security services firm. In 1992, I began my employment with SCANA Corporation ("SCANA") as an accountant working directly for SCANA Energy Marketing, Inc. Over the years, I have held varying positions of increasing responsibility including Energy Services Coordinator, where I was responsible for scheduling gas for the Atlanta Gas Light System; project manager for the implementation of an automated gas management system; and manager of operations. In 1998, I became responsible for gas procurement, interstate pipeline and local distribution company scheduling and preparation of gas accounting information. In May 2002, I became manager of operations and gas accounting with SCANA Services where I was responsible for gas scheduling on interstate pipelines and gas accounting for all SCANA

subsidiaries. In November 2003, I became Fuels Planning Manager where I assisted all SCANA subsidiaries with strategic planning and special projects associated with natural gas. I held this position until promoted to my current position in December 2005.

Q. HAVE YOU TESTIFIED BEFORE THIS COMMISSION PREVIOUSLY?

A. Yes.

Q. WHAT ARE YOUR DUTIES AS GENERAL MANAGER – GAS SUPPLY & CAPACITY MANAGEMENT?

A. In regard to South Carolina Electric & Gas Company ("SCE&G" or the "Company"), I am responsible for gas supply and capacity management functions. Specifically, my responsibilities include the oversight of planning, procurement of supply and capacity, nominations and scheduling, gas cost accounting, state and federal regulatory issues concerning supply and capacity, and asset and risk management.

Q. PLEASE DESCRIBE THE PURPOSE OF YOUR TESTIMONY.

A. The purpose of my direct testimony is two-fold. First, I discuss SCE&G's portfolio of gas supply, addressing the various gas supply options available to the Company. I then discuss SCE&G's transportation assets available and used to provide natural gas services to its customers, and conclude my discussion on gas supply by reviewing SCE&G's storage assets.

Second, my testimony addresses risk management in connection with volatile natural gas prices. This portion of my testimony focuses on the benefits and operations of SCE&G's hedging program.

I. GAS SUPPLY.

Q. PLEASE EXPLAIN THE RECENT HISTORY OF SCE&G'S GAS PURCHASING PRACTICES.

A. Prior to November 1, 2006, SCE&G purchased all of its natural gas supplies from South Carolina Pipeline Corporation ("SCPC"). SCPC and SCG Pipeline, Inc. merged on November 1, 2006, and became known as Carolina Gas Transmission Corporation ("CGTC"). Thereafter, SCE&G began purchasing all of its natural gas supply directly from gas suppliers. The merger did not result in any disruption of service to our customers or otherwise adversely impact SCE&G's operations. Additionally, the Company did not experience any adverse costs or penalties and efficiently transitioned from purchasing its natural gas supply exclusively from SCPC. SCE&G continues to rely upon the same procedures, practices, and personnel previously utilized successfully by SCPC for procurement of reliable and reasonably priced natural gas supplies.

Q. PLEASE EXPLAIN THE GAS SUPPLY OPTIONS CURRENTLY AVAILABLE TO SCE&G.

A. There are three gas supply options that are available to SCE&G: (1) wellhead gas supply; (2) underground storage; and (3) liquefied natural gas ("LNG"). SCE&G's gas asset portfolio includes each of these supply options, and the Company has combined these supply options with interstate transportation to meet its firm demand under varying weather conditions at reasonable cost.

Q. PLEASE DESCRIBE THE AVAILABLE INTERSTATE PIPELINE TRANSPORTATION OPTIONS.

A. After SCPC's interstate conversion, SCE&G began purchasing interstate pipeline transportation capacity on both a firm and interruptible basis from the three (3) interstate pipelines that provide service to SCE&G: Southern Natural Gas Company ("Southern"), Transcontinental Gas Pipe Line Corporation ("Transco"), and CGTC.

Interstate Firm Transportation ("FT") service permits SCE&G access to interstate pipeline transportation capacity on a priority basis. Interruptible Transportation ("IT") service is only available when FT customers, such as SCE&G, are not using their FT capacity. IT service is curtailed when FT customers use their capacity. In sum, FT and IT services use the same physical pipeline capacity, with FT service having priority. SCE&G contracts for FT service from the three interstate pipelines serving South Carolina to ensure delivery of natural gas during colder periods when the full transportation capacity

of these pipelines is used and when the demand for natural gas service is typically greatest. SCE&G currently holds 161,143 dekatherms ("Dt") of firm capacity on Southern and 64,652 Dt of firm capacity on Transco. In addition, SCE&G contracts for 296,560 Dt of firm capacity with CGTC in order to deliver gas from Transco and Southern and from SCE&G's in-state LNG facilities to SCE&G's system. Exhibit No. __ (RJ-1) provides a summary of the firm transportation contracts by pipeline supplier.

Q. HOW DOES SCE&G OPTIMIZE ITS FIRM TRANSPORTATION CAPACITY?

A. SCE&G optimizes its firm transportation capacity through a process called "segmentation." In certain limited circumstances, segmentation allows SCE&G to deliver up to twice as much supply on a portion of its firm capacity while paying only one demand charge. Interstate pipelines allow segmentation as long as the delivery point meter has sufficient capacity and gas supply does not cross the same delivery point. For example, SCE&G may use 10,000 Dt of its firm transportation on CGTC to deliver 20,000 Dt of gas supply to the Charleston area. In this example, 10,000 Dt of supply could be delivered from the Gulf Coast and 10,000 Dt of supply could be delivered from the Bushy Park LNG plant to serve the Charleston area using the same 10,000 Dt of transportation capacity secured from CGTC.

Additionally, SCE&G shares interstate transportation capacity between its gas and electric departments as previously authorized by the Commission in Docket No. 2006-5-G. The electric department currently holds 27,000 Dt/day of capacity on the

CGTC pipeline and, pursuant to a Memorandum of Understanding ("MOU"), the electric department shares this capacity with the gas department for use during the winter months (known as the "Gas Department Base Capacity"). The gas department has the first call on this capacity during the winter months and the electric department has first call on this capacity during the summer months; however, either party may use the Gas Department Base Capacity without additional capacity charges when it is not in use by the other. Other capacity held by either department may be shared with the other on a recallable basis as conditions warrant. Additionally, either party may call on capacity that the other is not using at any given time and will pay the fixed charges associated with that capacity allocated based on a 100% load factor rate. The other party may recall the incremental capacity at any time if needed for its system.

Q. HOW ARE COSTS ALLOCATED BETWEEN THE TWO DEPARTMENTS?

A. The MOU allocates capacity costs based on the relative numbers of customers served by the two departments as of the time the MOU was executed. Under the current MOU, 32.32% of the fixed capacity costs associated with the Gas Department Base Capacity is assigned to the gas department and the remaining 67.68% is assigned to the electric department. The department transporting gas under the MOU is also responsible for all volumetric charges and costs associated with the gas transported, including any imbalance costs or penalties.

Q. PLEASE EXPLAIN THE BENEFITS OF THE MOU TO SCE&G AND ITS CUSTOMERS.

A. The MOU is functioning as intended and is a beneficial tool to the Company. This arrangement promotes the efficient use of interstate transportation capacity between the departments and reduces the cost included within the cost of gas factor. Moreover, prior to developing the MOU, the gas department did not have firm access to facilities allowing it to utilize gas supplied by the Elba Island Liquefied Natural Gas Facility located near Savannah, Georgia. In sum, the MOU allows SCE&G to use this additional source of natural gas supply to meet the reliability and service needs of its natural gas distribution system at reasonable costs.

Q. PLEASE BRIEFLY DESCRIBE THE UNDERGROUND STORAGE OPTION.

A. After purchase, some wellhead gas is stored in underground facilities for future use. Gas stored in these underground facilities can be withdrawn and delivered to SCE&G's system during periods of high demand. Additionally, gas can be injected and withdrawn from these facilities in order to "balance" the system on a daily basis.

Q. WHAT INTERSTATE STORAGE ASSETS ARE AVAILABLE TO THE COMPANY TO AID IN DELIVERING RELIABLE AND SECURE GAS SERVICE TO SCE&G CUSTOMERS?

A. The Company currently has 4,908,830 Dt of storage on Southern's system, with maximum daily withdrawal capability from this storage equaling 99,121 Dt

per day at peak storage inventory. On Transco, SCE&G subscribes to 650,823 Dt per day of storage, with a maximum withdrawal quantity of 23,835 Dt per day at peak storage inventory. Exhibit No. ___ (RJ-2) reflects total storage and withdrawal capacity by pipeline supplier in a table format.

Q. PLEASE DESCRIBE THE LNG FACILITIES AND THEIR CAPACITIES.

A. On November 1, 2006, SCE&G acquired at net book value two LNG facilities from SCPC: one at Bushy Park near Charleston which can liquefy and store up to 980,000 Mcf of LNG, and the other at Salley, in Orangeburg County, which can store up to 900,000 Mcf of trucked-in LNG. LNG must be transported to Salley via truck because Salley has no liquefaction facilities.

Q. AT WHAT VAPORIZATION RATE CAN SCE&G USE THESE FACILITIES?

A. The combined storage capability of these facilities allows our system throughput planning to assume a maximum daily withdrawal quantity of 105,000 Mcf/day. For example, assuming that storage volumes are at maximum capacity, Bushy Park's inventory would be exhausted in approximately 16 days if operated at a withdrawal rate of 60,000 Mcf/day, and Salley's inventory would be exhausted in approximately 20 days if operated at a withdrawal rate of 45,000 Mcf/day.

Q. WHAT BENEFIT DO THESE LNG ASSETS PROVIDE THE COMPANY?

A. SCE&G relies primarily upon its newly acquired LNG assets to fulfill the peaking needs of its system and customers. Additionally, the on-system LNG service significantly adds to the reliability and security of gas supply during

unfavorable operating conditions that may occur from time to time. For example, SCE&G's supply of gas could be unexpectedly interrupted because of a hurricane in the Gulf, or because abnormally cold weather creates a spike in demand which in turn causes equipment malfunctions, well freeze-ups, and other operational abnormalities thereby limiting the supply of gas into South Carolina. In these instances, SCE&G could employ the use of its on-system LNG facilities for a limited time to offset or reduce any adverse effects caused by an upstream interruption.

Attached hereto as Exhibit No. ___ (RJ-3) is a comparison of SCE&G's firm sales service to its capacity to deliver gas to serve firm demand. This exhibit indicates that the Company will have firm assets sufficient to provide a 3.80% operating reserve which is limited by the durational output of the LNG facilities.

Q. HOW DOES SCE&G UTILIZE ITS COMBINED INTERSTATE STORAGE AND ON-SYSTEM LNG TO ENSURE RELIABLE AND SECURE GAS SERVICE?

A. There are two dimensions to storage services: peak capability and duration. SCE&G uses its storage to address both of these dimensions. Certain storage services are geared toward providing large withdrawal quantities to meet spikes in demand on very cold days but only for a short period of time. The storage services in SCE&G's portfolio of this type include Transco LNG Storage Service and both the Bushy Park and Salley LNG facilities located on SCE&G's system. Accordingly, these storage services provide SCE&G with peaking capability.

Other storage services are geared toward meeting demand over more of the winter period and not only on the coldest days. The storage services in SCE&G's portfolio of this type include Transco Washington Storage Service ("WSS"), Transco Eminence Storage Service ("ESS"), Transco General Storage Service ("GSS") and Southern's Contract Storage Service ("CSS"). Therefore, these storage services provide SCE&G with duration capability. Through the active management of these assets, SCE&G is able to meet the needs of its firm customers on the coldest days of the winter and over the entire winter.

Q. PLEASE DESCRIBE THE CONSIDERATIONS EVALUATED BY SCE&G IN ASSEMBLING ITS GAS SUPPLY PORTFOLIO.

A. The Company's evaluations for assembling its gas supply portfolio include reviewing the gas supply, storage, transportation, and other assets already under contract. Other considerations include such things as geographical delivery limitations, maximum volumes, storage ratchets, and the cost of the various services. SCE&G then compares the resources against the firm demand under varying weather conditions. Finally, the Company determines whether additional resources are required to serve the firm demand under varying weather conditions.

Q. PLEASE DESCRIBE THE USE OF EACH OF THESE VARIOUS SERVICES WITHIN THE PORTFOLIO.

A. SCE&G places different levels of reliance on its various supply sources based on the time of year in question. Each management decision related to the purchase of gas supply is based upon the best information available to SCE&G at the time its decisions are executed. During the winter heating season, the Company uses its wellhead gas as its principal supply, followed by the use of its natural gas supply stored in underground storage facilities. Lastly, SCE&G primarily uses its on-system LNG to meet the last increment of demand on the coldest days or hours of the year.

As the winter progresses, this order of usage may be modified. For example, if South Carolina experiences mild weather during the early part of the winter and storage inventories are relatively high, then underground storage and LNG withdrawals may be used instead of wellhead supply.

II. HEDGING.

Q. BRIEFLY EXPLAIN THE ENVIRONMENT OF THE NATURAL GAS MARKET IN WHICH SCE&G PARTICIPATES AND PURCHASES ITS PHYSICAL SUPPLIES OF GAS.

A. The market in which SCE&G competes today for its gas supply is a national market which is dynamic and volatile, and volatility is influenced by many factors. Weather fronts moving into the United States, particularly in the northeast, impact the price of gas purchased for delivery in South Carolina. This price impact on South Carolina delivered gas can be traced in part to the fact that SCE&G purchases a portion of its gas supplies off Transco's system which serves both the northeast and southeast markets. Since gas supplies available into Transco's system must serve both markets, weather conditions in one market may impact prices in the other market.

A growing national demand for natural gas also contributes to price volatility in the natural gas market. Demand for gas is highly dependent upon the time of year, and changes dramatically from season to season. For example, daily demand for supply by electric power generators in the summer can cause a gas utility to "go to market" on any given day for supply which may be equivalent to five or six times the summer firm load of the local distribution company. In

summary, usage varies significantly from summer to winter and also from winter to winter and summer to summer.

Q. WHAT EFFECT DOES THE VOLATILE NATURE OF THE NATURAL GAS MARKET HAVE UPON SCE&G?

A. As a direct result of price volatility, SCE&G can encounter extreme price changes in a relatively short period of time. This translates into unexpected price increases for its customers that may lead to (i) social and economic costs associated with higher utility bills and (ii) alternative fuel use and declining use per customers.

Q. CAN THE IMPACT OF GAS PRICE VOLATILITY BE MITIGATED?

A. Yes. From the outset it is important to understand that SCE&G cannot eliminate or change gas price volatility. This is because gas price volatility is influenced by factors beyond SCE&G's control. SCE&G can, however, attempt to mitigate the impact of gas price volatility by seeking to reduce its exposure to gas cost risk. While there is no "best" approach to gas cost risk management, the impact of gas price volatility may be mitigated through the implementation of a financial concept known as "hedging."

Q. PLEASE EXPLAIN HEDGING.

A. As used in the natural gas industry, hedging is defined as the practice of initiating a position in the financial market in order to offset the price risk deemed to

be associated with a company's position in the physical market.[1] Stated differently, hedging is a mechanism designed to mitigate the impact of price volatility.

Q. DOES SCE&G CURRENTLY OPERATE A HEDGING PROGRAM?

A. Yes. In Docket No. 2006-257-G, the Commission authorized SCE&G to implement a hedging program on a temporary basis for periods on and after November 1, 2006. Prior to this time, SCE&G purchased its natural gas supplies from SCPC which operated a hedging program for the benefit of its customers, including SCE&G. Because of the pending merger of SCPC and SCG and SCPC's announced plans to discontinue its hedging program, the Company requested the authority to operate a temporary hedging program under the terms and conditions as approved by the Commission for SCPC. The Commission granted this request in its Order No. 2006-537, and, thereafter, the Company began hedging its natural gas supply and entering into hedging contracts, certain of which are still in place today.

In Docket No. 2006-5-G, the 2006 Annual Review of Purchased Gas Adjustment and Gas Purchasing Policies of SCE&G, the Commission issued Order No. 2006-679, dated November 13, 2006, approving use of the hedging program proposed by SCE&G and agreed to by the South Carolina Office of Regulatory Staff ("ORS"). In brief, the Company was authorized to use Kase ezHedge in conjunction with dollar cost averaging as primary tools in its hedging

[1] Derivative and Risk Management Glossary, Kase and Company, Inc.

program, and the Company faithfully adhered to this authorization in operating its hedging program during the period under review.

Q. WHAT VOLUMES OF NATURAL GAS HAS THE COMMISSION AUTHORIZED THE COMPANY TO HEDGE?

A. As stated previously, in Order No. 2006-537, the Commission temporarily authorized SCE&G to hedge up to seventy-five percent (75%) of its estimated gas purchases for firm customers. Thereafter, in Order No. 2006-679 the Commission authorized SCE&G to hedge up to fifty percent (50%) of estimated gas purchases for firm customers beginning on and after November 1, 2006. Because the amount allowed to be hedged was reduced in Order No. 2006-679 from the previously authorized levels of seventy-five percent (75%) of firm sales to fifty percent (50%) of firm sales, SCE&G initially had smaller amounts of open volume which it could hedge.

Q. DOES SCE&G ALWAYS HEDGE FIFTY PERCENT OF ESTIMATED GAS PURCHASES FOR FIRM CUSTOMERS?

A. No. Instances arise in which SCE&G's hedging model may indicate that the level of hedging should be below 50%. Further, the Company may decide to implement hedges at levels lower than 50% based upon many factors including, but not limited to, market analysis, consultation with the developer of the model, consultation with other market participants, and other publicly and privately available information.

Q. WHAT IS THE PURPOSE OF SCE&G's HEDGING PROGRAM?

A. The purpose of the Company's hedging program is to help mitigate the impact of extreme price fluctuations – prices that SCE&G, and ultimately its customers, must pay for natural gas. The impact of price volatility is mitigated by SCE&G through the purchase or sale of financial contracts made available through financial markets such as the New York Mercantile Exchange ("NYMEX").

Q. WHAT IS THE GOAL OF SCE&G's HEDGING PROGRAM?

A. The goal of SCE&G's hedging program is to mitigate the customer's exposure to the extreme price volatility present in the natural gas market in a cost-effective manner. This goal, however, should not be confused with costs savings. In fact, it should be noted that, while a hedging program is designed to protect against exposure to the highest gas prices, it will limit the purchase of gas at the lowest gas prices when gas prices are falling.

The objective of the Company's hedging program is to improve cost predictability and to mitigate price risks by reducing SCE&G's exposure to unexpected, radical cost changes that may occur over short time periods in the gas spot market. In summary, the goal of SCE&G's hedging program is to mitigate the impact of price volatility through the purchase of gas financial instruments.

Q. HOW HAS SCE&G'S HEDGING PROGRAM PERFORMED SINCE ITS IMPLEMENTATION?

A. During the short review period of only six (6) months, the hedging program added over $17 million to the cost of gas; however, SCE&G believes that its hedging

program has benefited its customers. As stated previously, hedging natural gas purchases benefits natural gas customers through the mitigation of the impact of extreme price volatility. Exhibit ___(RJ-4) graphically reflects the performance during the review period and demonstrates that, while the monthly highs and lows varied significantly from month to month, the prices at which gas was hedged remained comparatively constant. The hedging program functions much like insurance, i.e., a premium is charged in exchange for protection against a particular event. SCE&G must purchase physical supplies of natural gas to serve its customers; the hedging program provides a measure of protection to these customers against the potential for unexpected and dramatic increases in the monthly cost of gas. In addition to the direct benefit of mitigating price volatility, the hedging program provides the Company with an additional means of mitigating risk by providing an additional opportunity to diversify its natural gas purchasing portfolio. The availability of different purchasing tools provides the Company with varying options, which helps mitigate occurrences of volatility in the natural gas market.

Moreover, while the hedging program provided a measure of protection for customers from price increases experienced during the period under review, customers were nevertheless protected from the potential or risk of more dramatic increases as occurred in previous years. Exhibit ___(RJ-5) demonstrates the significant impact that events such as gulf hurricanes can have on the price of natural gas. While the South Carolina community was fortunate that such disasters did not happen again during the review period, the hedging program nevertheless provided

customers with a measure of protection against these risks and the increased cost was a premium paid to guard against such scenarios.

As SCE&G stated in its testimony in Docket No. 2006-257-G, the benefits of a hedging program are not measured by whether there are additions to or subtractions from the cost of gas. The goal is to mitigate the volatility of natural gas market prices over the long run subject to the costs of operating the program. The additions to the cost of gas for this short review period of only six (6) months reflects that gas prices were generally trending downward during a period of unseasonably warm weather coupled with high storage inventories and abundant supply of well-head gas. Thus, the hedging program protected against the expected volatility to the up-side which did not materialize, adding to the cost of gas. However, based upon the most recent hedging report filed with the Commission on May 24, 2007, the Company projects that it will experience a subtraction from the cost of gas of approximately $3,351,990.20 in the coming months. These relatively short periods reflect how volatile gas prices are and demonstrate the benefit customers receive from a well-managed hedging program designed to mitigate this price volatility.

It should also be noted, though, that the equilibrium between gas supply and demand is currently precariously balanced. Anything that disturbs this balance, such as hurricanes in the gulf, colder than normal weather in the winter, malfunctioning equipment which affects supply, or other such events will have dramatic and sudden upward impact on prices. This volatility to the upside is what SCE&G seeks to mitigate through its hedging program.

III. COMPANY'S REQUESTS.

Q. IN REGARD TO THE COMPANY'S PURCHASING PRACTICES, WHAT ARE YOU REQUESTING OF THE COMMISSION IN THIS PROCEEDING?

A. During the period under review, SCE&G contracted for sufficient supplies of natural gas and provided reliable service to its customers. SCE&G also adequately maintained gas, storage, and transportation assets for its system during the period under review at levels that were prudent and reasonably met the reliability and service needs of the system. It is my opinion that SCE&G's acquisition and management of these assets during the period under review has been prudent and reasonable. Therefore, I respectfully request the Commission find that SCE&G's cost for gas purchases and asset management were reasonable and prudent for the period under review.

Q. IN REGARDS TO HEDGING, WHAT ARE YOU REQUESTING OF THE COMMISSION IN THIS PROCEEDING?

With regard to hedging, I respectfully request that the Commission find that the Company prudently operated the hedging program consistent with Order No. 2006-679 and recovered its cost through the cost of gas recovery mechanism approved by the Commission in Order No. 2006-679. No changes are proposed for

the hedging program at this time, and the Company is continuing to operate the hedging program for the current period beginning March 1, 2007 under the terms approved by the Commission in Order No. 2006-679.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

Exhibit No. __(RJ-1)

South Carolina Electric & Gas Company
Existing Firm Transportation Contracts

		Maximum Firm Transportation Dt/Day	Expiration Date
Southern			
FSNG349-1 FT	Firm Transportation	31,005	October 31, 2010
FSNG349-2 FT	Firm Transportation	22,684	October 31, 2010
FSNG349-4 FTNN	Firm Transportation	80,472	October 31, 2010
FSNG349-5 FT	Firm Transportation	26,982	October 31, 2010
		161,143	
Transco			
Z1 - Z5	Firm Transportation	3,209	December 31, 2008
Z2 - Z5	Firm Transportation	4,720	December 31, 2008
Z3 - Z5	Firm Transportation	3,587	December 31, 2008
Z3 - Z5	Firm Transportation	7,360	December 31, 2008
Station 65 (Sunbelt)	Firm Transportation	39,606	October 31, 2017
Station 85 (Sunbelt)	Firm Transportation	6,170	October 31, 2017
		64,652	
Carolina Gas	Firm Transportation	296,560	October 31, 2009

Note: The Transco and Southern systems interconnect with the Carolina Gas system at a number of metering stations. Supply transported using the firm capacity contracted for the Southern and Transco systems are, in most instances, delivered to SCE&G's 96 delivery points by Carolina Gas. Thus, firm transportation capacity on the Transco and Southern systems cannot be aggregated with the firm transportation capacity on Carolina Gas to reflect accurately the firm transportation capacity available to deliver gas to SCE&G's customers.

INTERSTATE STORAGE AND LNG STORAGE

I. Interstate Storage

Pipeline	Type	Maximum Storage Quantity	Maximum Daily Withdrawal Quantity	Contract Expiration Date
Southern	CSS	4,908,830	99,121	August 31, 2010
Transco	ESS	18,886	1,877	October 31, 2013
Transco	ESS	154,049	15,468	May 10, 2015
Transco	GSS	26,365	503	March 31, 2013
Transco	WSS	447,938	5,270	October 31, 2008
Transco	LNG	3,585	717	October 31, 2016
Total Transco		650,823	23,835	
Total Interstate		5,559,653	122,956	

II. SCE&G On-System LNG (in mcf)

SCE&G	LNGS	1,880,000	105,000	

Note: All values are stated in Dt, unless otherwise noted

Exhibit No. ___(RJ-3)

South Carolina Electric & Gas Company
Available Capacity to Serve Firm Sales Service Demand

	Reserve Capacity (Dt)
CGTC Firm Interstate Capacity	296,650
SCE&G Shared CGTC Interstate Capacity	27,000
Segmented CGTC Interstate Capacity	40,000
Total Capacity to Deliver Gas to SCE&G via CGTC	363,650
SCE&G's Peak Design Day Demand (Firm Sales Service to Customers)	369,519
Less: Direct Connect Firm Sales Service Customers	19,193
Net SCE&G Firm Sales Service Customers behind CGTC	350,326
Reserve dts	13,324
Reserve %	3.80%

Exhibit No. ___(RJ-4)

SCE&G Hedge Price vs Market Comparisons

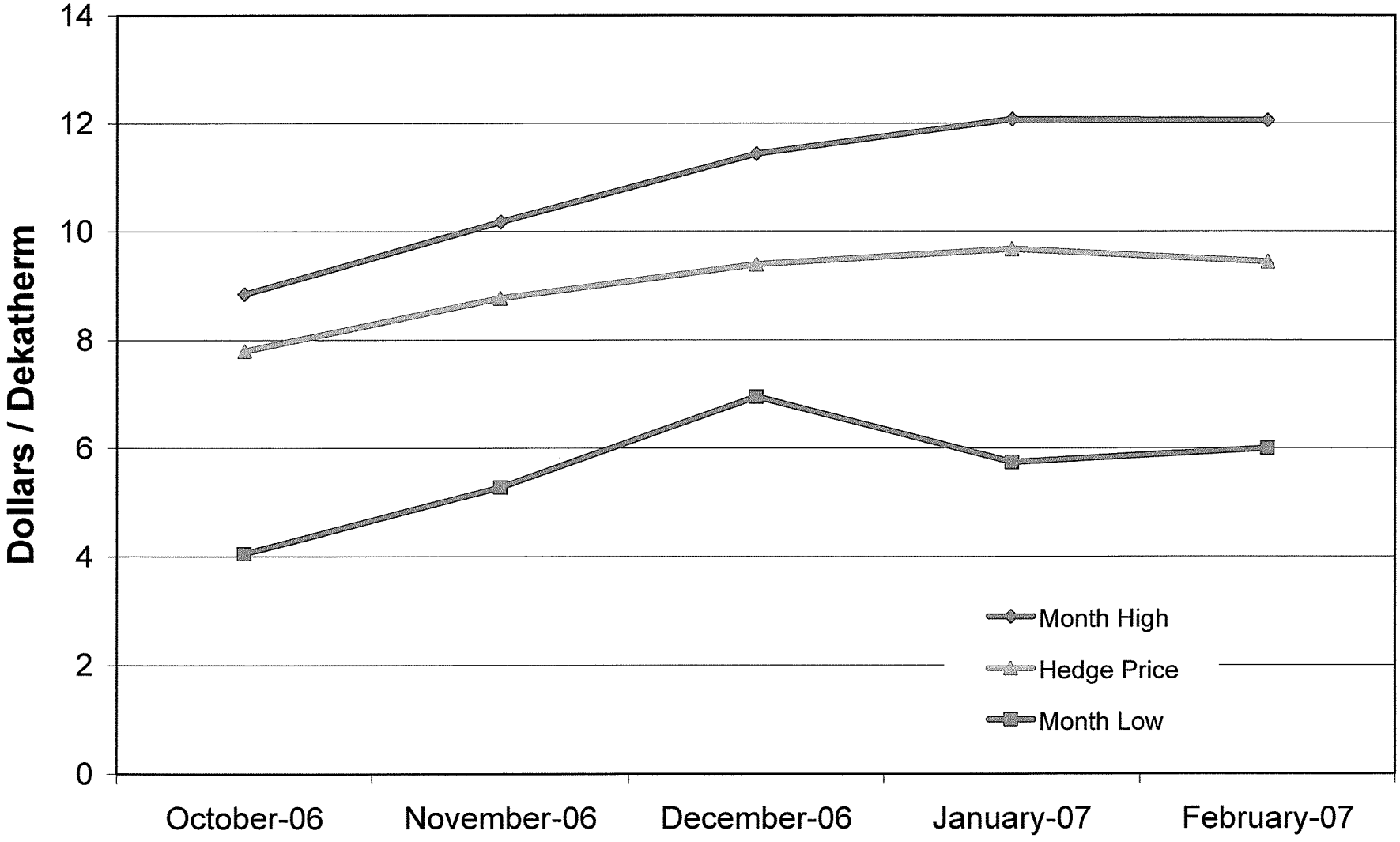

Exhibit No. ___(RJ-5)

SCE&G Hedge Price vs Market Comparisons